

The Fed keeps its millions in check

By Roger Boye

IF THE FEDERAL Reserve Bank in Chicago were to stack the 3 million checks it processes during a typical day, the pile would stand taller than Sears Tower.

That huge accumulation would weigh nearly 5 tons—as much as 60 adult men—and would be worth \$1.5 billion.

"I guess you could call us the largest check collector in the United States," said Allen G. Wolkey, a bank vice president. "But we try to get rid of our collection as fast as we can."

Wolkey alluded to the fact that check collecting is becoming a popular hobby with many rare coin and currency enthusiasts. But unlike ordinary collectors, the Federal Reserve Bank (or "Fed," as it is familiarly called) couldn't care less if a check is signed by a famous person or bears an exquisite design.

What is important to the Fed is numbers printed in magnetic ink at the bottom of a check. The Fed uses them to process huge stacks of "paper money"—paychecks, personal checks, all kinds of checks—at Superman speeds.

"Many people don't realize it, but the Chicago Federal Reserve district clears more checks than any other Fed district, about 6.5 million a day," said Paul J. Bettini, another bank vice

president. Nearly half of the total is processed in the district's Chicago office, which serves Fed member banks in the northern half of Illinois and in seven Indiana counties.

Each day except Sunday, those commercial banks send the Fed many of the checks they have cashed or deposited in their customer accounts. In turn, it's the Fed's job to send checks to the banks on which they are drawn.

The nerve center of the check-sorting operation in Chicago is 15 computer-driven machines, each more than 5 feet tall and about 15 feet long. As a check enters the sorting mechanism, the computer reads the magnetic ink numbers that identify the "home bank" and other pertinent details.

After a couple of runs through the machine, checks drawn on each member bank in the region end up in a separate stack. The computer also records the dollar amount of each check on a printout, making it possible for the Fed and member banks to balance their books.

Although processing is an around-the-clock operation six days a week, most of the checks arrive at the bank, 230 S. La Salle St., shortly before midnight each weekday. And most must be sent to the "home bank" a few hours later, usually before 6:30 a.m.